



Health Care Visions, Inc.

31 Vauxhall Street, New London, CT 06320-5723
A Sub-Acute and Rehabilitative Nursing Facility.
860-442-4363; 860-447-3749

February 16, 2017

Written testimony of Kathryn Lasewicz, Administrator, Beechwood Post-Acute, Transitional and Long Term Care, New London, CT. Concerning the Governor's Recommended FY 2018 and FY 2019 Proposed Budget

Good evening Senator Osten, Senator Formica, Representative Walker and to the members of the Appropriations Committee. My name is Kathryn Lasewicz. I am the Executive Director at Beechwood Post-Acute, Transitional and Long Term Care in New London, Connecticut. BEECHWOOD has 30 beds dedicated to short term and transitional care. In 2016, over 300 patients were discharged back to their homes or to alternative care. The remaining 30 beds are dedicated to long term care. It has over 100 employees and is a preferred provider for Lawrence & Memorial Hospital, Hartford Health Systems and Yale Health Systems. Beechwood has won many awards such as being a CMS FIVE STAR since 2010, including a FIVE STAR in quality and staffing in 2016; US News World and Report's Top Nursing Homes 2010-2016; AHCA's Advanced Excellence Bronze Award winner and ACHA's 4 TIER Award winner.

I want to begin by letting you know how proud I am to be here to represent the caregivers from Beechwood. I'm the Executive Director, but our employees, these devoted caregivers all want what I want---- that is to deliver the highest quality care experience to anyone who comes to Beechwood. Our staff of caregivers do an amazing job each and every day, and I am so grateful to them, and proud of them, for everything they are doing.

But making the nursing home care great has so many challenges. Making the care what everyone wants for their loved ones is getting harder and harder to provide. And the reason it's getting so hard isn't really difficult to understand---there has been almost no help in the state budget for now going on 10 years. If the



Health Care Visions, Inc.

31 Vauxhall Street, New London, CT 06320-5723

A Sub-Acute and Rehabilitative Nursing Facility.

860-442-4363; 860-447-3749

budget passes as is, it will be a full decade of nearly flat funding for our nursing facility. More devastating, is the idea that our nursing facility could be cut this session because of our state's ongoing financial troubles.

However, this year the Department of Social Services began implementing a policy that will cut the property component of our rates---and these cuts will grow even more on July 1, 2017, this will affect the revenue for many facilities. It is really beyond my ability to understand how we could deliver the care we want to deliver if these cuts stand. This is happening at a time when our costs are going up. For example last year, we significantly increased the wages and benefits for our hardworking employees, and would like to increase again this year. We also understand that the proposed budget will increase the fines nursing homes pay by 400 percent (from \$5,000 to \$20,000.). When no new resources have been provided in ten years, is it really fair to increase the fines so dramatically?

However, we have so many additional pressures beyond the important need to pay our workers a fair wage for the great jobs they are doing and doing our best to avoid fines. Here are some examples:

- Medicaid rates have been basically flat since 2007, but costs have been dramatically rising. 2014 brought with it increased costs in property taxes, utilities, FICA and medical costs. An example of those increased costs is our employees medical coverage, which in 2013 was \$195,000 and in 2014 \$233,000, 2015 \$276,000. Increases that we did not pass on to our employees for over 5 years, unfortunately 2016 saw an increase of \$298,000. Despite these increasing costs, we still have to cover in order to provide quality care.
- The patients that Beechwood admits are becoming increasingly complex, with higher acuity needs in both nursing and rehab. A high percentage of these patients are Medicaid patients (only). Since CT Medicaid is not acuity based reimbursement system there was a great disparity in actual cost vs.



Health Care Visions, Inc.

31 Vauxhall Street, New London, CT 06320-5723

A Sub-Acute and Rehabilitative Nursing Facility.

860-442-4363; 860-447-3749

reimbursement for Beechwood in the past years. A loss of over \$90 dollars per Medicaid patient per day was the reality- the flat funding does not cover the short term and sometimes long term care of a Medicaid patient, let alone factor in the acuity and the supplies/medications not covered (e.g. wound vac).

- As the population of Connecticut continues to age the complexity of needs is only going to increase. While there are more options for those with fewer care needs to go home, the residents that come to Beechwood need to be with us. The needs are too complex for care at home.
- We at Beechwood not only manage those complexities, but also become a second home for those that do return to the community (and 65% of our residents return to the community). And for those that do stay with us, Beechwood is their home and our focus is providing them resident centered care in their home to enhance the quality of our residents' lives.

Please help us deliver the high quality care we want to deliver by reversing cuts to our nursing homes.

On behalf of everyone at Beechwood thank you and I would be happy to answer any questions you may have.

Sincerely,

Kathryn Lasewicz

Kathryn Lasewicz
Administrator